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KELLOGG, HUBER, HANSEN, TODD & EVANS, P.L.L.C.

SUMNERSQUARE

1615 M STREET, N.W.

SUITE 400

WASHINGTON, D.C. 20036-3209

(202) 326-7900

FACSIMILE:

(202) 326-7999

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

November 26, 2002

**Ex Parte Presentation**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: *Application by SBC Communications Inc., et al. for Provision of In-Region,  
InterLATA Services in California, WC Docket No. 02-306*

Dear Ms. Dortch:

On behalf of SBC Communications Inc. ("SBC"), I am writing to inform you that representatives of SBC met yesterday (both in person and on the telephone) with FCC staff to discuss various issues relating to SBC's application for interLATA relief in California. The following people participated on behalf of the FCC: Jeffrey Carlisle, Rich Lerner, John Stanley, Renée Crittendon, Pam Arluk, Aaron Goldschmidt, Rhonda Lien, Joanne Wall, and Jack Yachbes. The following people participated on behalf of SBC: Rebecca Sparks, Jared Craighead, Martin Grambow, Kelly Murray, Cynthia Marshall, Gwen Johnson, George McClain, Michael Flynn, Mark Chamberlain, Ginger Henry, Geoffrey Klineberg, Scott Angstreich, and Colin Stretch.

The topics addressed at this meeting included Pacific's interim rate reduction for DS3 UNE loops, the auditability of its electronic bills, its billing dispute resolution process, its process for coding slamming allegations, its implementation of a mechanized WAC-check in the local number portability process, and two of its loop maintenance process improvement plans. At the request of Commission staff, I am attaching additional information regarding billing and Pacific's loop maintenance improvement plans. I am also attaching an excerpt from a

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CLEC's paper bill, along with a printout of the corresponding portion of the same CLEC's electronic bill. These excerpts were distributed at yesterday's meeting and are referenced in the attached discussion on billing. Because they are confidential, SBC is filing them subject to the protective order in this docket. Specifically, pursuant to the Commission's rules governing confidential communications, I am enclosing one copy of this letter attaching the confidential material. Inquiries regarding access to this confidential material should be addressed to Jamie Williams, Kellogg, Huher, Hansen, Todd & Evans, PLLC, 1615 M Street, N.W., Suite 400, Washington, D.C., 20036, (202) 367-7819.

In accordance with this Commission's Public Notice, **DA 02-2333** (Sept. 20, 2002), SBC is filing the original and two copies of the redacted version of this letter and its attachment.

Yours truly,

A handwritten signature in black ink, appearing to read "Colin S. Stretch".

Colin S. Stretch

cc: John Stanley  
Renee Crittendon  
Tracey Wilson  
Lauren Fishbein  
Brianne Kucerik  
Phyllis White  
Qualex International

## Billing

**1. Credits.** In its ex parte letter dated November 4, 2002, Vycera argues that Pacific fails to issue “a credit when it knows credit is due, unless and until Vycera catches the error and demands credit.” Vycera’s contention is incorrect. When Pacific makes billing adjustments to correct for systems-related errors, Pacific’s practice is to make those adjustments for all impacted CLECs – not just the CLEC that called the error to Pacific’s attention. For example, as discussed in the Flynn/Henry/Johnson Joint Reply Affidavit, effective March 2002 mechanized adjustments were applied to the bills for CLECs impacted by the double-billing and resale discount billing errors originally identified by Vycera; manual credits are in the process of being applied to those bills that could not be mechanically adjusted. See Flynn/Henry/Johnson Joint Reply Aff. ¶¶ 30-35 (Reply App., Tab 5).

**2. Auditability.** Pacific’s electronic bills are provided in industry standard format, and are fully auditable in accordance with those standards. See id. ¶¶ 7-8. In response to Mpower’s claim to the contrary, Pacific provided an excerpt from a paper copy of the Mpower bill dated September 1, 2002, which clearly shows, for a particular loop, the circuit ID; the CLLI code for the central office serving the end user; and the USOC and zone assignment. See id. ¶¶ 9-12 & Attach. A. This information also is included in Mpower’s electronic bill (as it is for all CLECs ordering loops from Pacific). Specifically, attached hereto is a copy of an excerpt from a paper bill dated October 1, 2002. Also attached is a print-out of the corresponding “page” from the electronic bill for the same date. As these attachments demonstrate, the circuit ID, CLLI code, USOC and zone assignment information provided on the paper bill also is also made available in the electronic format.

**3. Dispute Resolution.** As discussed in the Affidavit of Ginger Henry and the Flynn/Henry/Johnson Joint Reply Affidavit, Pacific’s billing dispute resolution process – developed with CLEC input through workshops and billing fora conducted by the CPUC as part of the 271 collaborative process – is set out in detail in the Billing Adjustments Section of the CLEC Handbook. See Henry Aff. ¶¶ 46-47 (App. A, Tab 10); Flynn/Henry/Johnson Joint Reply Aff. ¶ 13. Pursuant to that process, a CLEC that wishes to dispute a bill is required to provide specific written documentation in support of its claim, including the billing account number; the date(s) of the bill(s) in question; and the amount of the dispute. Based upon review of this documentation, Pacific’s Local Service Center (“LSC”) sends notification to the CLEC either accepting the dispute or providing the reasons for rejection of the dispute.

The length of time required to investigate a dispute varies depending upon a number of factors, including the age of the claimed billing error; the number of bills and line items involved in the dispute, and the complexity of the research required to determine whether the dispute is valid. If the claim cannot be processed within 30 days of acceptance, Pacific’s policy is to notify the CLEC of that fact and then to provide periodic notification of status until the investigation is completed. When the investigation is complete, Pacific provides the CLEC with a written “Confirmation and Resolution” form that includes the findings of the investigation.

If the CLEC disagrees with Pacific's rejection of its dispute or the resolution of its claim, it may re-file the dispute with the LSC Billing Team, or it may escalate the dispute with LSC management or **through** its Account Team representatives. The CLEC also may invoke any informal dispute resolution procedures and/or formal arbitration procedures contained in its interconnection agreement. And, finally, disputes may be submitted to the CPUC for resolution. In this regard, Pacific has been working with CLECs to jointly develop a process that the CPUC could use to resolve billing disputes (among other things). Pacific and the participating CLECs jointly submitted a proposed process to the CPUC on November 20, 2002.

#### **ESBA-Level Adjustments in PM 34**

Pacific previously provided preliminary data regarding ESBA-level adjustments that should have been included in PM 34 results from May through September 2002, along with total resale adjustments during the same period. *See* Ex Parte Letter from Geoffrey M. Klineberg on behalf of SBC to Marlene Dortch, FCC, Attach. at 3-4 (filed Nov. 13, 2002). Pacific has now completed its investigation into this issue, and the final adjustments included in PM 34 are set out in the table below. Restated data for PM 34 reflecting these adjustments are included with the performance data Pacific filed with the Commission November 25, 2002.

Measure 34 (Resale)		
	ESBA Adjustments	Total Adjustments
May-02	\$1,749	\$3,290
Jun-02	\$4,453	\$5,674
Jul-02	\$3,839	\$9,424
Aug-02	\$5,535	\$14,015
Sep-02	\$131,820	\$140,496

#### **Loop Maintenance Improvement Plans**

The affidavit of Richard J. Motta describes the Fault Isolation Test ("FIT") process that Pacific implemented to improve maintenance performance on basic UNE loops. *See* Motta Aff. ¶¶ 26-28 (App. A, Tab 15). Pacific completed implementation of this process in June 2001. Mr. Motta's affidavit also describes the implementation of a process to give special priority for repair to CLEC trouble tickets for special services, including DS1 loops. *See id.* ¶¶ 50-51. Pacific implemented this process in July 2002. *See id.* ¶ 50.

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